Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104
(415) 391-3900

Laurie J. Bartilson
Karen D. Holly
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Hollywood, California 90028-7421
(213) 953-3360

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation, Plaintiff, vs. GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; DOES 1 through 25, inclusive, Defendants.	CASE NO. BC 084642 PLAINTIFF'S REPLY IN SUPPORT OF MOTION TO VACATE STAY OF TRIAL PROCEEDINGS DATE: March 14, 1994 TIME: 8:30 a.m. DEPT: 30 DISCOVERY CUT-OFF: None MOTION CUT-OFF: None TRIAL DATE: Vacated

I. INTRODUCTION

The motion filed by plaintiff Church of Scientology International ("the Church") to vacate the stay of these proceedings demonstrates for the Court, in telling detail, the changes in circumstances which make that action proper and necessary. Armstrong's response, a non-sequitur diatribe of dislike aimed at his former religion, is more remarkable for what it does not say than for what it does say. For example:

* The Church argues that the stay should be lifted so that discovery in the Second Breach Case can be completed, bringing the Second Breach Case into the same trial-readiness posture as the First Breach Case. Armstrong offers no response;

* The Church lists ten separate actions taken by Armstrong during the time that these cases have been stayed, all of which constitute fresh breaches of the underlying Agreement. Armstrong mentions only one of these in his opposition, and ignores the rest;

* The Church identifies those issues which are actually before the Court of Appeal, and explains in some detail why a complete stay of discovery in the Second Breach Case pending resolution by the Court of Appeal is both unnecessary and prejudicial to the plaintiff. Armstrong ignores all of the issues which are presented by the Second Breach Case and have nothing to do with the preliminary injunction, and argues only that the First Amendment allows him to do whatever he pleases, whether or not he has contracted to do otherwise.

* Armstrong argues that the Church has accused him of violating the injunction, but that he "has never been held to have violated any Order of this Court." Armstrong does not state, however, that not one but two Orders to Show Cause re Contempt have issued concerning his contemptuous activity, and that the only reason that he has not been held to have violated the Court's Orders is because proceedings on these OSCs have been continued, without resolution, pending a decision by the Court of Appeal. Indeed, Judge Wayne has warned Armstrong that he continues to violate the Order of Injunction "at his peril."

[Exhibit A, p. 5:19:22];

* Armstrong argues that the Church has not authenticated exhibits attached to its papers demonstrating Armstrong's participation in a scheme, via FACTI, to foment still more litigation against the Church. However, Armstrong does not deny that he has joined with anti-Church litigant Larry Wollersheim to form and run FACTI. Nor does he explain how he expects the Church to authenticate the exhibits (which he and the other FACTI members mailed to a Church member) without taking the discovery that the Church seeks herein.

In short, Armstrong offers no reason why this Court should not grant the Church's reasonable request that this Court relieve plaintiff from the stay issued on October 6, 1993 in order to (1) permit the amendment of the complaint herein, and (2) permit the completion of discovery so that this matter may be tried expeditiously with its companion case.[1] This motion must be granted, and Armstrong's spurious request for sanctions rejected.

II. ARMSTRONG HAS OFFERED NO COGENT REASON TO DENY PLAINTIFF'S REASONABLE REQUEST

Armstrong's response to the Church's motion appears to argue that the motion should be denied for three reasons: (1) this case does not really exist any more at all; (2) the plaintiff is wrongfully trying to characterize Armstrong as a "scofflaw" when all that Armstrong is doing is exercising his First Amendment rights; and (3) the Church has offered no evidence to support its

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[1] The Court of Appeal, while still not deciding the matter appealed by Armstrong, has, during the pendency of this motion, set a date for oral argument for May 10, 1994 [Exhibit B].

claims that Armstrong has hatched yet another scheme to harass plaintiff through the fomentation of frivolous litigation. Each of these arguments is punctuated with Armstrong's stale repetition of how "bad" he considers the plaintiff to be. They then culminate with a baseless request for sanctions. These arguments fail completely to address the real issues squarely presented by plaintiff's motion, and they are supported by neither facts nor law.

First, there is no procedural error in plaintiff's bringing of this motion. Consolidation of superior court actions is a discretionary device used by the Court to ensure economy of judicial proceedings, not to eliminate a plaintiff's claims. The Court's power to consolidate actions is found in Code of Civil Procedure Section 1048(a), which duplicates Federal Rule of Civil Procedure 42(a):

> When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all the matters in issue in the actions; it may order all the actions consolidated and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay.

Consolidation was thus highly appropriate here, where the issues of law concerning interpretation of the Agreement are identical, even though the issues of fact concerning the alleged breaches are not. Consolidation, however, does not mean, as Armstrong argues, that this case has been "subsumed" by the earlier action [Oppo. at 2, fn. 2]:

> "A consolidation of actions does not affect the rights of the parties. The purpose of consolidation is merely to promote trial convenience and economy by avoiding duplication of procedure, particularly in the proof of issues common to both cases."

Estate of Baker (1982) 131 Cal.App.3d 471, 485, 182 Cal.Rptr. 550, 559, quoting Woodridge v. Burns (1968) 265 Cal.App.2d 82, 86, 71 Cal.Rptr. 394.

For purposes of judicial economy, this Court has ordered that the First and Second Breach Cases be tried together. Plaintiff wholeheartedly agrees. In order to make this possible, however, the Second Breach Case needs to be brought to the same trial-readiness posture as the First Breach Case. Indeed, consolidation is not a recommended procedure "where two actions are at . . . widely different stages of preparation." Schacht v. Javits (S.D.N.Y. 1971) 53 F.R.D. 321, 325. Plaintiff has demonstrated in its moving papers, without refutation, that it has already suffered significant harm by the delay in bringing these cases to trial [Moving Papers at 10 - 11]. Under these circumstances, and to avoid any further delay, the stay on the Second Breach Case should be lifted to permit plaintiff to bring it to the same trial-readiness posture as the First Breach Case.

Next, Armstrong complains that the Church has mischaracterized him as a "scofflaw." The Church has never used this characterization of Armstrong, but does not dispute that it seems apt. The evidence of Armstrong's continued breaches, and of Armstrong's intent to breach both the agreement and the injunction, comes from his own sworn testimony, gratuitous letters, mass mailings, and declarations.[2]

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[2] Examples of Armstrong's actions and intentions, described by Armstrong in his own words, include: (1) A letter dated August 15, 1993, written by Armstrong and directed to CSI's counsel, in which Armstrong wrote that he considered it his "duty" to "continue [to] breach [the settlement agreement] unabated until the [settlement] (continued...)

Armstrong does not deny that he is a director and officer of FACTI, nor does he assert that it is not his brainchild, or that he is not responsible for its virulent mass mailings and planned computer libraries. Rather, he asserts that plaintiff has not authenticated the FACTI papers which plaintiff has provided to the Court, and attempts to parlay this into a reason to deny plaintiff's motion.

The papers which Armstrong complains of -- and does not deny are his -- can most easily be authenticated by requests for admission, which plaintiff will happily serve on Armstrong just as soon as the stay is lifted, and by depositions of the officers of FACTI, including Armstrong, again which plaintiff will gladly notice. These documents were mailed to Scientology parishioners, purportedly by Armstrong's Colorado corporation. If they are not true FACTI documents, or have nothing to do with him, he has only to say so. Plaintiff would be overjoyed (if amazed) to learn that Armstrong is not using FACTI to make good on his threats. It seems that only discovery, or an answer to plaintiff's

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[2](...continued)
agreement is rescinded and no longer exists to be breached. . . ." [Ex. C, p. 4]; (2) Armstrong's deposition claim that he has "absolutely no intention of honoring that settlement agreement. I cannot. I cannot logically. I cannot ethically. I cannot morally. I cannot psychically. I cannot philosophically. I cannot spiritually. I cannot in any way. And it is firmly my intention to not honor it." [Exhibit C to Moving Papers]; (3) A letter dated December 22, 1992, again sent to plaintiff's counsel, in which Armstrong insisted that, "I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted to do I am going to do. . . . I will even make my knowledge and support available to entities like Time and people like Rich Behar. . . ." [Exhibit D to Moving Papers]; (4) Exhibits L - N to the Moving Papers, which demonstrate the methodology chosen by Armstrong to make good his threats to breach the Agreement even in his sleep, and to provide assistance to litigants regardless of the injunction: FACTI.

proposed amended complaint, can answer the question which Armstrong poses.[3]

Under these circumstances, the Church asks for an immediate opportunity to obtain discovery into the extent of Armstrong's activities with FACTI, and to amend its complaint herein to include these new (and apparently continuing) breaches.

III ARMSTRONG'S REQUEST FOR SANCTIONS IS BASELESS

These cases have been stayed since March 23, 1993. Since that time, Armstrong has engaged in at least ten activities, all documented in the moving papers, which are new breaches of the Agreement. Armstrong's refusal to maintain the status quo while his appeal is pending changes the circumstances in existence at the time the stay was issued, and warrants plaintiff's simple request that Armstrong not be permitted to use these new breaches to further delay and hinder the trial of these cases. As a first step, plaintiff has reasonably asked that the stay be lifted in the Second Breach Case so that the pleadings may be finalized, and discovery completed, thus placing it in the same trial-readiness posture as its consolidated companion case. The motion is meritorious, not frivolous; and nothing supports Armstrong's baseless request for sanctions.

---

[3] Armstrong also appears to object to the authenticity of his letters to plaintiff's counsel, which bear his unmistakable imprimatur. Here, too, a lifting of the stay is needed to provide the authentication which he requests. In deposition, before the stay was imposed, Armstrong testified that he sent a letter of December 22, 1992 to Richard Behar, but refused to identify the letter (Ex. D to Moving Papers), claiming the Fifth Amendment privilege. Plaintiff has been afforded no opportunity to challenge Armstrong's privilege claim (which plaintiff contends was waived) because of the stay. Ex. D, Deposition of Gerald Armstrong, March 10, 1993, 524; 587-589, and Ex. 18 thereto.

IV. CONCLUSION

Gerald Armstrong has offered no coherent response to plaintiff's showing that changed circumstances require a lifting of the stay in this case. Code of Civil Procedure § 916(a) allows the trial court to proceed upon any matters embraced in the action and not affected by the judgment from which an appeal is taken. In this, the Second Breach Case, there are many issues regarding violations of the settlement agreement which are not addressed on appeal and were not subject to the Court's order on injunction. Moreover, permitting discovery to proceed will have the salutary effect of ensuring that these consolidated cases may, in fact, be tried together.

Under these circumstances, plaintiff's motion must be granted, and Armstrong's request for sanctions denied.

Dated: March 10, 1994

Respectfully submitted,

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

BOWLES & MOXON

By: _____
Laurie J. Bartilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

H:\ARMSTRON\STAY2.REP

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

CHURCH OF SCIENTOLOGY, Plaintiff,	)	
vs.	)	NO. BC 052 395
GERALD ARMSTRONG, et al., Defendants.	)	

TRANSCRIPT OF PROCEEDINGS

March 5, 1993

APPEARANCES:

(See appearance page.)

COURT MONITOR: E. VELASCO
TRANSCRIPTION BY: FOX TRANSCRIPTIONS

APPEARANCES:

For Plaintiff:

ANDREW WILSON
Attorney-at-Law
Suite 450
235 Montgomery
San Francisco, CA 94104
(415) 391-3900

BOWLES & MOXON
BY: LAURIE J. BARTILSON
Suite 2000
6255 Sunset Boulevard
Hollywood, CA 90028
(213) 661-4030

For Defendants:

HUB LAW OFFICES
BY: FORD GREENE
711 Sir Francis Drake Boulevard
San Anselmo, CA 94960
(415) 258-0360

PAUL MORANTZ
Attorney-at-Law
P. O. Box 511
Pacific Palisades, CA 90272
(310) 459-4745

LOS ANGELES, CALIFORNIA, FRIDAY, MARCH 5, 1993, A.M.

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

THE COURT: Church of Scientology versus Armstrong.

MR. WILSON: Good morning, Your Honor.

Andrew Wilson and Laurie Bartilson appearing on behalf of the plaintiff, Church of Scientology.

MR. GREENE: Good morning, Your Honor.

Ford Greene and Paul Morantz on behalf of Gerald Armstrong, who is sitting at the end of counsel table.

MR. WILSON: Your Honor, before we begin I'd like to ask the court's permission to have Mr. Michael Hertzberg sit at counsel table with me. He's not counsel in this action. He's a New York attorney who represented my client in the previous Armstrong action on the appeal.

THE COURT: It won't be necessary because we're not going to go very far.

Gentlemen, let me ask -- I'm sorry.

MR. WILSON: Okay.

THE COURT: This case is on appeal?

MR. WILSON: Yes.

THE COURT: And it just seems to me -- you're the moving party?

MR. WILSON: That's correct.

THE COURT: It seems to me ridiculous to hold this hearing prior to a determination whether or not this is a valid order. I mean, I have some serious questions about the validity of the order. And I'm not prepared to waste my

time, if it's going to be heard. And apparently it's going to be heard very soon, because the briefs have already been filed and one is left to be filed; is that correct?

MR. GREENE: Actually, Your Honor, the respondent's brief is due. Scientology's brief is due on March 22nd.

THE COURT: The respondent being the moving party here?

MR. GREENE: Being the moving party here and the plaintiff in the action. And, as we noted in a footnote in our papers and we were going to call the court's attention to that fact again this morning.

THE COURT: It just seems like an inordinate waste of our time.

MR. WILSON: May I address that point?

THE COURT: Sure. You can address, but --

MR. WILSON: And I will attempt to convince you.

THE COURT: You're not. Especially after seeing all the papers you filed.

MR. WILSON: The point here is not whether Judge Sohigian made an error.

THE COURT: No, no. I absolutely agree and I would not relitigate the validity of the order and I'm not going to relitigate that. And I think you're absolutely right. But it does have to be a valid order.

Now, I don't know how broadly or narrowly you find that but I think that it's stupid for me to waste my time, your time, deciding whether or not Mr. Armstrong is in actual contempt of an order that may be set aside.

MR. WILSON: I agree it would not be a good use of your

time.

THE COURT: Well, I don't mean that my time is so valuable. I don't mean it in that sense.

MR. WILSON: It would not be a good use of judicial time, but I don't believe that any of the issues --

THE COURT: That's not my personal time that I'm talking about.

MR. WILSON: I don't believe that any of the issues that are going to be addressed on appeal will solve the problem of whether Mr. Armstrong should be held in contempt for this very simple reason:

The cases say that the only excuse that Mr. Armstrong could have for violating this court's order would be if the court did not have jurisdiction. And the cases talk about what that jurisdiction is and it's either personal jurisdiction and subject matter jurisdiction.

There's no question that Judge Sohigian had jurisdiction to issue this order. Mr. Greene tries to bootstrap his arguments, which are essentially arguments that Judge Sohigian's order was wrong, into arguments that Judge Sohigian did not have jurisdiction.

But if you look at the cases that we've cited -- and I think this is a very important point -- particularly the Walker v. City of Birmingham case, where in that case there was an injunction issued against people marching, a Civil Rights march, that involved the infamous Bull Connor, who didn't give them a permit. A court enjoined them; they violated the injunction and it went all the way up to the

Supreme Court.

And the Supreme Court said it doesn't matter this ordinance was unconstitutional; it doesn't matter whether your rights of free speech were violated. What matters is you cannot disobey the order of the court.

And in the Walker case the Supreme Court made a statement, and I'd like to read it to you briefly. And the court said, "Without question, the state court that issued the injunction had, as a court of equity, jurisdiction over the petitioners and over the subject matter of the controversy. And this is not a case where the injunction was transparently invalid or had only a frivolous pretense to validity.

We have consistently recognized the strong interest of state and local governments in regulating the use of their streets and other public places."

I submit to the court that the interest here that the court has in making sure its orders are obeyed is at least as strong as the interest of the State in Walker in regulating its streets and public ways.

What's going on here is not that Mr. Armstrong is involved in this hearing against the Church of Scientology. This is a case of Mr. Armstrong against this court. There is an order of this court and he violated it. That's what's relevant here and there's no issue before the appellate court that's going to resolve that.

THE COURT: Oh, but I think there is. And that's whether or not this is an order --

I'll tell you, when I first looked at this order, I thought the order was clear until I then read part of the transcript. Then it became unclear to me. And I think that is in front of the appellate court, whether or not this is an order capable of being followed, because Judge Sohigian's comments that at least it confused me a little bit.

So I do think that issue is there and I'm going to put this matter over until I think that will be decided without prejudice to anybody's rights and I would suggest that you return in June. I think that would give us sufficient time.

Your Honor, my concern -- and I know this is not before the court, but my concern is that Mr. Armstrong has stated in deposition -- you've probably seen that statement -- he's not going to obey this agreement no matter what a court says.

We have put forth numerous instances in which we believe he is --

THE COURT: If that's a valid order, each time he disobeys it, he faces five days in jail. I take contempt very seriously. And, I mean, I don't treat it lightly and he just does it at his peril.

MR. WILSON: Thank you.

THE COURT: All right. Let's pick a date in June. Why don't we make it June 1st.

MR. WILSON: May I be able to look at my calendar?

THE COURT: Sure.

MR. GREENE: These proceedings are being electronically

recorded; right, Judge? Could we get a transcript.

THE COURT: Yes.

MR. GREENE: Thank you, Your Honor.

MS. BARTILSON: Your Honor, the case is scheduled for trial May 3rd. Judge Horowitz found no problem with going forward on the trial of this case, despite the appeal. And essentially the message that I hear Mr. Armstrong being told is you do the contempt at your peril, but by filing an appeal, no matter how frivolous, you can avoid an order of the court.

THE COURT: You know what? I don't try to interrupt you, so try not to interrupt me. All right.

MS. BARTILSON: I'm sorry. I apologize, Your Honor.

THE COURT: Is June 1st all right?

MR. GREENE: For me it's not, Your Honor. I have a conflict and maybe I can change that conflict, so I'll try.

THE COURT: June 1st. Is that all right for you?

MR. WILSON: Yes, it is, Your Honor.

THE COURT: We'll see you back here June 1st.

Mr. Armstrong, you are ordered to return on June 1st at 9:30.

MR. GREENE: Thank you, Your Honor.

(Proceedings concluded.)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 86 HON. DIANE WAYNE, JUDGE

CHURCH OF SCIENTOLOGY,

Plaintiff,

vs. NO. BC 052 395

GERALD ARMSTRONG, et al.,

Defendants.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, MARIE FOX, a duly designated transcriber, do hereby declare and certify under penalty of perjury that I have caused to be transcribed the portion of tape 1 which was duly recorded in the Superior Court of the State of California, County of Los Angeles, Department 86, on the 5th day of March, 1993, in the above-mentioned case, and that the foregoing 6 pages comprise a true and correct, accurate transcription of the aforementioned tape.

Dated this 19th day of March, 1993.

Marie Fox COPY

Transcriber

EXHIBIT B

OFFICE OF THE CLERK
COURT OF APPEAL
STATE OF CALIFORNIA

ES

SECOND APPELLATE DISTRICT
JOSPEH A. LANE, CLERK

DIVISION: 4 DATE: 03/03/94

BOWLES & MOXON
LAURIE J. BARTILSON
6255 SUNSET BLVD
SUITE 2000
HOLLYWOOD, CA. 90028

RE: CHURCH OF SCIENTOLOGY INTERNATIONAL
VS.
ARMSTRONG, GERALD
2 CIVIL B060450
LOS ANGELES NO. BC052395

*** PLEASE FILL OUT -- RETURN PROMPTLY ***

THIS CASE IS ORDERED ON CALENDAR ON 4-13-94, AT 1:30 PM BEFORE DIVISION 4.

YOU MUST RETURN THIS FORM TO THE CLERK WITHIN TEN (10) DAYS OF THIS DATE OR YOU WILL BE DEEMED TO HAVE WAIVED ORAL ARGUMENT.

IF COUNSEL BELIEVES THAT ALL ISSUES HAVE BEEN ADEQUATELY COVERED BY THE THE BRIEFS, ALL COUNSEL SHOULD EXECUTE A STIPULATION WAIVING ORAL ARGUMENT AND RETURN IT TO THIS OFFICE FORTHWITH.

PRIOR TO THE HEARING DATE, MEMBERS OF THE COURT READ THE BRIEFS, REVIEW THE RECORD, AND DISCUSS IN CONFERENCE THE ISSUES PRESENTED BY THE APPEAL. THE COURT WELCOMES ORAL ARGUMENT WHEN IT WILL BE OF ASSISTANCE IN REACHING AN INFORMED DECISION. MERE ORAL RESTATEMENT OF THE BRIEFS, HOWEVER, IS NOT HELPFUL TO THE COURT.

PLEASE INDICATE BELOW IF YOU WISH TO WAIVE ORAL ARGUMENT. IF ORAL ARGUMENT IS WAIVED, THE WAIVING PARTY SHALL IMMEDIATELY NOTIFY OPPOSING COUNSEL THEREOF.

--------- ORAL ARGUMENT IS WAIVED

---✓--- ORAL ARGUMENT IS NOT WAIVED

IN CIVIL CASES, WHERE THE PARTIES DEEM IT NECESSARY, EACH PARTY MUST FILE AT ONCE WITH THE SUPERIOR COURT CLERK A FURTHER NOTICE SPECIFYING SUCH OF THE DESIGNATED ORIGINAL EXHIBITS AND AFFIDAVITS DEEMED NECESSARY TO HAVE TRANSMITTED TO THE COURT. (RULE 10D)

PARTY TYPE: (CHECK ONE)

Church of Scientology International
PARTY REPRESENTED

---- APPELLANT

Bowles & Moxon
FIRM NAME

---✓--- RESPONDENT

Laurie J. Bartilson
SIGNATURE OF COUNSEL

NOTE: COURTROOM IS LOCATED ON THE THIRD FLOOR

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, Plaintiff and Respondent, v. GERALD ARMSTRONG, Defendant and Appellant.	B069450 (Super.Ct.No. SWC 96713) (William Beverly, Judge) ORDER

THE COURT:*

Good cause appearing, the hearing in the above entitled matter now set for April 13, 1994, is continued to May 10, 1994, at 10:30 a.m.

*WOODS (A.), P.J.

EXHIBIT C

August 15, 1993

Andrew H. Wilson, Esquire
Wilson, Ryan & Campilongo
235 Montgomery Street
Suite 450
San Francisco, CA 94104

BY FAX (415)954-0938

Re: CSI v. GERALD ARMSTRONG;
MICHAEL WALTON;
TEE-GEE-ACK,
Marin Superior Court No. 157680

Dear Mr. Wilson:

The above-referenced lawsuit has become Armstrong IV, and CSI v. Gerald Armstrong and Tee-Gee-Ack, LA Superior Court No. BC 084642, is Armstrong III. Armstrong II and I you and I and the courts are all clear about already.

What you have done in filing this lawsuit which you know to be bogus is dishonorable. I am preparing a litigation resolution, but it is a huge, month-consuming task, and I thought maybe there was still an opportunity for something different from litigation which could end it right away. As you know this is what I've tried to do for over 11 years, without, as you also know, much success. Nevertheless, I will attempt again an appeal for sense, so am writing you, this lawsuit's executioner, this letter.

So far, because nobody has come forward to say what I say I am having to say it myself. Appealing first to your fiscal psyche (you wouldn't argue that you're in it for the money, right?) I have spent some forty-one hours on IV, so let's say, $2255.00, and $400.00 costs. I'm not sure what Michael Walton's fees and costs are, but I'm fairly sure that if you decided to dismiss the complaint and withdraw the lis pendens immediately he would not object, and would be, I think, fair, in not only fees and costs but damages. An apology would be helpful, but I doubt that he'd even ask for one, let alone insist. In any case, now, as always, is certainly the time, if sense is to be a factor in this senseless lawsuit.

Having said that, I should acknowledge that I am not unaware of the fact that you have a monstrous monetary motivation to have the attacks on your client's "enemies" go on the rest of your career. There is some risk in this to your money mountain, of course, because a malicious prosecution action becomes so obvious in this litigation's solution to itself. Do not therefore, transfer any of your assets from this day forward, because there exists from the time of your first threat in the Armstrong II depositions, and, for your client, from December 6, 1986, a claim, regarding which I urge you to transmit a copy of this

letter to your insurance carrier. I also urge you to divulge to your carrier all of the facts known by you to underlie not only the Armstrong IV complaint, but II and III, which you have also prosecuted maliciously. If you didn't have a clue about what you were up to before this, please let this be clear notice. While you're at it, be sure to not withhold all the statements you're aware of that I've made that I represent to be fact, and which I say underlie I through IV. If I handled your insurance I would sure tell you to either dismiss IV, or get out of it if your client refuses to allow you to; and the same with II and III. If you're not depending on insurance, but your client's promise to pay for your defense and damages, I suppose I'd have to admit that to prolong your career you'd want to generate as many malicious lawsuits as humanly possible.

There is, then, the matter of your career, short, long or prolonged. I may have a different idea from yours about lawyers, good ones and bad. It's easy to see, in order to stay blind, that making a mess of money, by any means, makes a lawyer good. To me, money and goodness are, in all arguable relationships, unrelated. It is honesty, fairness, discipline, sense and support for those things in justice's system that make goodness in lawyers. Some good lawyers are rich, some are poor. Some bad lawyers are rich, and some again are poor, but all bad lawyers are dishonest, unfair, undisciplined and dense, and it's they who give their profession the reputation it shouldn't deserve. As I said, however, you may have a different view, perhaps something more Hubbardian, of a career in goodness or badness.

Please do not kid yourself that because I have not been destroyed utterly, as Hubbard ordered in his basic litigation policies, your lawsuits are not terrifying, and do not profoundly distress me. Only a madman, even in this litigious land, is not threatened by being named a defendant in any lawsuit to which our courts give numbers and their awful power. Only Rip Van Winkle would not recognize your client as the most vicious litigation machine this land has ever beheld. I am neither mad nor Rip.

You and I both know that your lawsuits are frivolous; but please also realize that I am aware that you know that the fact of their frivolousness does not diminish their danger. In fact, as we both know, their frivolous nature adds to the threat. The organization, as you know, because you know of intel ops going down all the time and sign your name to much of the frivolity, uses litigation to cover, divert attention from, and render incredible or plausibly deniable what's really going on: its secret war of secret meetings, secret orders, secret operatives, secret files, secret accounts, of ambushes, assaults, arsenals and abominations. The latest frivolous flurry - Armstrong III and IV, and their now growing case files - I view as a render-

incredible operation. Your client's position would be, "Why would we kill Armstrong; after all we had just sued him and expected to get a judgment against him for millions of dollars?" If you consider in your assisting of your client that it is too rational or controlled to engage in something as unseemly as assassination, please be on notice that it is neither.

You know me. You've deposed me. You've seen me in courtrooms and hallways. You've read my letters, and either read dozens of my deposition transcripts and volumes of my declarations, or you've deliberately not read them in order for rotten reasons to keep yourself ignorant. You promised to ask your client, David Miscavige, to return the manuscript he had stolen from my car. You've read my IRS book manuscript. You know of operations, PIs, intel, lies, assaults, a list of lawfirms, lawsuits, lawyers and losses as long as your leg. You know that thousands (the org has been saying six million for twenty years; but in any case plenty) of persons around the world are available as perjurers, paralegals or pawns to assist you to assist your client in its litigation goals.

The obvious goals of the II, III and IV litigation package are to silence me and take revenge for my refusal to be silenced. In furtherance of those goals, in Armstrong IV you seek to take away my friend Michael Walton's house, cause him and his family trouble, and in all your lawsuits to cause me trouble, and attack Tee-Gee-Ack's assets and cause it trouble. The organization has other goals in the Armstrong litigation that really are intended to feed its insatiable intelligence appetite, which it camouflages with the uproariously transparent label of "legitimate discovery." It should be clear after three years (using your also uproarious date of February, 1990), three lawsuits, three shots at contempt, more than three media mentions, at least three more books on the subject, and a screen play, that I cannot legally be silenced. Your client's waivers of any right or standing to enforce the now unmercifully silly settlement agreement are strewn along the litigation's length. That aspect of your war with me has long since been lost. The courts of this country have not acceded to your demands that I be silenced, and now they never will.

Without a prayer of achieving its litigation goal of silence, the organization is left with only naked revenge for my rejection of its suppression. Our courts, as you might remember, have often acted to prevent their participation in litigation for revenge; often enough, I would think, to give pause to anyone but the completely insane who would contemplate their use for that base purpose. Revenge itself, a basic Hubbardian policy, although not an invention for which either his estate or the organization holds the patent, is what makes the completely

insane completely insane and certainly insane enough to blind themselves to how crazy revenge really is. It can never accomplish its goal, has no real effect, but since its practitioners consider its effects real (otherwise why indulge in it) it does have the apparent effect of rendering them crazier and crazier. That effect is apparent in the 4 Armstrong cases; the practitioners therein have become crazier and crazier.

There is a legal point, concerning which revenge admittedly may have blinded you, that, even if you decide not to dismiss or exit Armstrong IV, I request that you respond to immediately. You have claimed that:

> "Beginning in February, 1990, and continuing unabated until the present, Armstrong has breached the Agreement wilfully and repeatedly, including, inter alia, the provisions of Paragraph 7(D) of the Agreement which require Armstrong to pay plaintiff liquidated damages for each such breach." (Complaint, p. 7, para. 22)

The settlement agreement states at page 8, para. 7(D) that the organization "would be entitled to liquidated damages in the amount of $50,000 for each such breach." If my breaching of the agreement has continued unabated, there could have been but one breach from February, 1990 forward. Your breaking of that big, bountiful and, as you say, unabated, breach into artificial parts is a contrivance to pad your client's damages, which is, funnily enough, frigging fraud; and I would appreciate your addressing of that damage padding fraud in your response to this letter.

I have written you and Ms. Bartilson before on the subject of mitigation of damages, and I have felt that it is something you have both not well understood, but I will try again here. I have a duty to mitigate damages, and I am damaged each time you tack on another 50 G's for every artificial part into which you divide my life. You have also noted, as I've noted above, that my breaching of the agreement has continued unabated since 1990. It is my duty, therefore, to continue that breach unabated until the agreement is rescinded and no longer exists to be breached. This letter thus also serves to advise you and your client that I am continuing unabated. Please also advise your client to not waste its victims "donations" sending around its camera-toting PIs to try to catch me in an instant when I am doing something other than my unbroken breach. If I am not heard to be breaching the agreement at any moment, I have not stopped doing so, but am just between words or breaching in a whisper. Even in my sleep, though I may not be somniloquizing, I am in every instant breaching the agreement. Please be assured that it is my intention to thus do without ceasing whatever I can to mitigate my damages; and your client's. Even a fool would see that it would be stupid of me to belay my thus far unabated breach, because your client will just do something, as it has done, also

relatively unabatedly, from December, 1986 through present time, to force, goad, trick or trap me into a second breach. Obviously the resolution lies in what I've been saying for years: rewrite the settlement agreement.

If you haven't sensed that your client is paying you to give it only bad advice, please do so now. If you're being paid to not advise your client, be advised that practically anyone (even I) can give it the same advice for practically nothing. I actually do have some advice for both you and your client. Please, look into your hearts and truly question the sense of what you do. If you have trouble looking into your hearts, give me a call because I can help.

And that brings us to the non-litigation resolution of your client's problems, which is really the purpose of this letter. If I really desired to foment litigation, as you repeat so religiously, would I honestly have been so dedicated through all these years to having your client realize the futility of litigation as the solution to its problems? The fact that it sees litigation as a solution is really why its problems persist. Honest, open communication would work, but your client refuses to try it, opting instead for the avoidance of communication by hiding behind layers of lawyers and litigation. Its communications not screened through its lawyers are dishonest and secret. Its leaders hide behind their "own" lawyers and layers of lies and should not be its leaders because its people deserve in their leaders courage, honesty and openness. So again, I extend to you and to your client the invitation to meet with me honestly and openly for the purpose of communication towards the resolution of our conflicts. I will wait until August 17 before I do anything more with this letter. I'm now up to 45 1/2 hours and working hard.

Please look in your hearts and see what you find there.

With a prayer for peace, I remain, yours sincerely,

Gerald Armstrong
715 Sir Francis Drake Boulevard
San Anselmo, CA 94960
(415)456-8450

Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, CA 94960
(415)258-0360
Fax 456-5318

EXHIBIT D

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

---oOo---

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

Case No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

VOLUME V

PAGES 525 - 624

WEDNESDAY, MARCH 10, 1993

REPORTED BY: LYNN P. NYLUND, CSR NO. 3696

Mary Hillabrand, Inc.
520 Sutter Street
San Francisco, CA 94102

Q. That is only conversation you can recall having with Mr. Behar since the spring of 1992?

A. I believe so.

Q. Have you had any correspondence with Mr. Behar since the spring of 1992?

A. Yes.

Q. Have you sent correspondence to him, or has he sent correspondence to you?

A. I recall sending something to him.

Q. What was that?

A. The December 22 letter I believe went to him.

Q. Anything else that you sent to him that you can recall?

A. I don't recall anything specific right now.

Q. Have you had any telephone conversations with him since that time?

A. No.

Q. Since the spring of 1992, have you had any other conversations with anyone at Time Magazine?

A. No.

Q. Mr. Armstrong, what aid did you bring Mr. Bent Corydon or his attorney Toby Plevin beyond deposition in court in this case?

A. Beyond moral and spiritual support and aid,

November 1991, and you subsequently met him a couple of times also in November of '91?

A. No. I met him a total of two times. Both I believe were in November of '91.

Q. Were both in Boulder Creek --

A. Yes.

Q. -- Colorado?

And when you spoke with him was that on the telephone?

A. Over a period of months following November '91.

Q. Did you prepare any document for Mr. Roberts before May of 1992?

A. No.

Q. Did you prepare any documents for Mr. Roberts after May of 1991?

MR. GREENE: Objection. Fifth Amendment privilege. Instruct you not to answer.

MS. BARTILSON: Let's mark this as 18.

(Exhibit 18 marked.)

MS. BARTILSON: Q. Mr. Armstrong --

MR. GREENE: Can we take a break for lunch?

MS. BARTILSON: Q. I will show you a document that the court reporter has marked as Exhibit 18. I would like you to take a look at that, please.

A. Okay.

Q. Is that a copy of the letter that you previously testified you sent to Mr. Behar?

MR. GREENE: Instruction. Do not answer the question based on the Fifth Amendment.

MS. BARTILSON: Q. I would like you to look, please, Mr. Armstrong, at page 9 of Exhibit 18 and ask you if that's your signature?

MR. GREENE: Same position.

MS. BARTILSON: I don't know. He has already testified he has drafted letters. I am entitled to get -- I think he has waived -- this is on the record. He has already testified to it on his own origination. I don't think he has a privilege left to claim.

MR. GREENE: Thank you.

In the event the objection and instruction were not interposed they are now.

MS. BARTILSON: This is ridiculous. I am going to seek sanctions when we have to go back. This is absolutely ridiculous.

Q. Mr. Armstrong, did you discuss this letter with Mr. Roberts before you sent it to anyone?

MR. GREENE: Same instruction. Same position.

MS. BARTILSON: Q. Did you discuss this letter with Mr. Nothling before you sent it to anyone?

MR. GREENE: As to all the people who were cc'd on that letter or with that letter, I will instruct Mr. Armstrong not to answer based on the Fifth Amendment.

It's also beyond the scope.

MS. BARTILSON: Well, I think given your client's actions we will have a right to reopen on that. That will not be a problem. He is entitled to claim whatever privilege he wants to claim here and waste all of our time.

Q. Mr. Armstrong, since October of 1992, have you provided any assistance to Mr. Malcolm Nothling?

MR. GREENE: Same objection and instruct.

MS. BARTILSON: Q. For that same time period after October 1992, have you provided any assistance of any kind to the Cult Awareness Network?

MR. GREENE: Same objection and instruction.

MS. BARTILSON: Q. Same question as to Cynthia Kisser?

MR. GREENE: And the same response.

MS. BARTILSON: Q. Same question as to Time Magazine?

December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology
C/O Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Blvd., Suite 2000
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.

All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal

denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer

contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian

ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by

everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;

2. Settle with Ed Roberts;

3. Dismiss your complaint against TGAC and Gerald Armstrong;

4. Remove all your bar complaints against Ford Greene;

5. Pay my attorney fees and costs;

6. We will dismiss the cross-complaint and appeal;

7. Cancel the agreement;

8. Return all materials you've stolen from me at any time;

9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who

was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pittiless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over $500,000. Clearly nothing is going to happen

unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, $150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

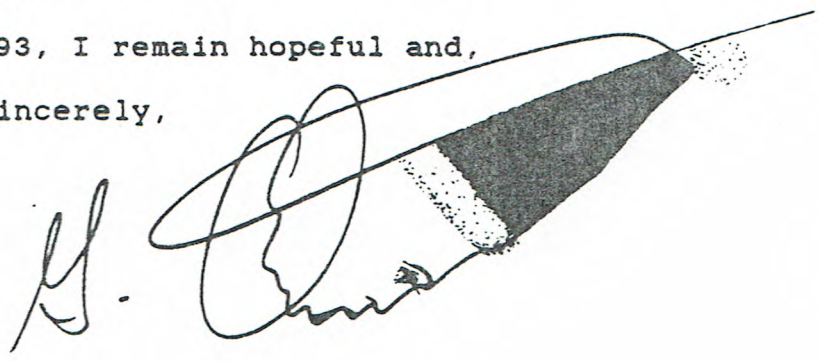
If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression; suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in

peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,



Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 949650
(415)456-8450

:ga

cc: Malcolm Nothling
Ed Roberts
Lawrence Wollersheim
Richard & Vicki Aznaran
Richard Behar
Ford Greene, Esquire
Paul Morantz, Esquire
Joseph A. Yanny, Esquire
Toby L. Plevin, Esquire
Graham E. Berry, Esquire
Stuart Cutler, Esquire
Anthony Laing, Esquire
John C. Elstead, Esquire
Michael J. Flynn, Esquire
Fr. Kent Burtner

Margaret Singer, PhD.
Cult Awareness Network
Daniel A. Leipold, Esquire
Church of Scientology International
Church of Scientology of California
Religious Technology Center
Church of Spiritual Technology
Church of Scientology ASHO
Church of Scientology AOLA
Founding Church of Scientology of Washington, D.C.
Church of Scientology Flag Service Organization
Church of Scientology of Arizona
Church of Scientology of Los Angeles
Church of Scientology of Stevens Creek
Church of Scientology of Sacramento
Church of Scientology of San Francisco
Church of Scientology of Washington State
Church of Scientology of Boston
Church of Scientology of Portland
Church of Scientology of New York

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On March 10, 1994 I served the foregoing document described as PLAINTIFF'S REPLY IN SUPPORT OF MOTION TO VACATE STAY OF TRIAL PROCEEDINGS on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

PAUL MORANTZ
P.O. Box 511
Pacific Palisades, CA 90272

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on March 10, 1994 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on _____, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

_____ _____

Print or Type Name Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On March 10, 1994 I served the foregoing document described as PLAINTIFF'S REPLY IN SUPPORT OF MOTION TO VACATE STAY OF TRIAL PROCEEDINGS on interested parties in this action.

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

FORD GREENE **via fax and U.S. Mail**
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

[x] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

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